

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1974 HB	<b>Title:</b> Land banking authorities
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## Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Revenue	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<b>Total \$</b>	0	0	0	0	0	0	0	0	0

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

## Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	.4	110,400	110,400	110,400	.2	47,400	47,400	47,400	.2	47,400	47,400	47,400
Housing Finance Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	0.4	110,400	110,400	110,400	0.2	47,400	47,400	47,400	0.2	47,400	47,400	47,400

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Housing Finance Commission	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Marie Davis, OFM	<b>Phone:</b> (360) 890-1163	<b>Date Published:</b> Final 3/20/2025
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1974 HB	<b>Title:</b> Land banking authorities	<b>Agency:</b> 103-Department of Commerce
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## Part I: Estimates

☒ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Serena Dolly	Phone: 360-786-7150	Date: 02/14/2025
Agency Preparation: Jodi Barnes	Phone: (564) 669-0071	Date: 02/19/2025
Agency Approval: Jodi Barnes	Phone: (564) 669-0071	Date: 02/19/2025
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 02/24/2025

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

HB 1974 provides counties with the authority to create land banking authorities to support community needs, such as affordable housing, workforce housing, a grocery store, or expanded recreational space.

Section 2 adds a new Chapter to Title 36 RCW and authorizes a county (or a group of counties) to designate an entity to serve as a land bank. The entity must be a public corporation established under RCW 35.21.730, or a public housing authority under RCW 35.82.

Section 3 adds a new Chapter to Title 36 RCW and provides requirements for counties to manage a land banking program and to establish a nine-member advisory board with various experiences.

Section 4 adds a new Chapter to Title 36 RCW and authorizes the land bank to acquire, hold, improve, lease, sell, and engage in predevelopment contracting within the urban growth area(s). The land bank must be given priority to acquire any surplus lands and foreclosed properties not just from the county but also from cities within the county. The land bank may sell or lease the property to a housing development at less than the market rate in exchange for affordability requirements. This section also provides details on negotiations and permission to sell the parcel if it is not feasible to lease the parcel if profits become subsidies for affordable housing.

The land bank must plan for and facilitate development in the following affordability mix of 33% extremely low, very low and low-income housing, no more than 33% of housing at market rate, and the rest are affordable to moderate income.

Section 5 adds a new Chapter to Title 36 RCW and requires each land bank to develop a land bank planning strategy with policies, goals, a community vision, assessments of the regulatory environment, barriers, displacement risk, and displacement risk mitigation plan. The strategy must also include priorities for homeownership opportunities for underrepresented racial and ethnic minorities and consider alternative pathways for homeownership, preservation of historical and cultural communities, and land that may be used for affordable housing.

Section 6 adds a new Chapter to Title 36 RCW and, subject to appropriation, requires the Washington State Housing Finance Commission to create and administer a competitive program for land banks used for planning, public improvements, and land acquisition. To be eligible for the grant, the county must have levied a local housing tax, removed barriers to locating permanent supportive housing, and expedited permits for affordable housing.

Section 8 amends RCW 39.33.015, requiring state agencies and local governments to prioritize transferring surplus land for land banking.

Section 9 amends RCW 36.35.150 to add properties transferred to a land bank to the list of properties that a county may dispose of for less than full price.

Section 10 amends RCW 35.21.755 and exempts a land bank from property tax.

Section 11 adds a new section to RCW 84.36 to exempt non-profit land bank property used for affordable housing from property taxes.

Section 13 clarifies that Sections 1-7 and 12 are a new chapter in Title 36 RCW.

### II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

## II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

HB 1974 adds a new chapter to Title 36 RCW. Land bank authorities and counties or the Washington State Housing Finance Commission may request information or technical assistance from the Department of Commerce (Department) on existing housing guidance, current or future housing needs assessments, or community progress removing barriers to emergency shelters, transitional housing, emergency housing, and permanent supportive housing. While it is unknown what level of demand for technical assistance may be requested, the Department assumes it would be minimal. The Department assumes no fiscal impact as technical assistance is a standard operating procedure within existing resources.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

**IV. D - Capital FTE Detail:** FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.

NONE

## Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

# Department of Revenue Fiscal Note

<b>Bill Number:</b> 1974 HB	<b>Title:</b> Land banking authorities	<b>Agency:</b> 140-Department of Revenue
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

### Estimated Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.7	0.2	0.4	0.2	0.2
<b>Account</b>					
GF-STATE-State 001-1	86,700	23,700	110,400	47,400	47,400
<b>Total \$</b>	86,700	23,700	110,400	47,400	47,400

### Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☒

Requires new rule making, complete Part V.

Legislative Contact: Serena Dolly	Phone: (360) 786-7150	Date: 02/14/2025
Agency Preparation: Erikka Ferrara	Phone: (360) 534-1517	Date: 02/18/2025
Agency Approval: Valerie Torres	Phone: (360) 534-1521	Date: 02/18/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 03/03/2025

Request # 1974-1-1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

This fiscal note addresses sections 6 and 11 of the bill, which impact the Department of Revenue (department).

#### CURRENT LAW:

No property tax exemption exists for nonprofit land banks authorized by a county.

#### PROPOSAL:

This bill creates a property tax exemption for real and personal property owned or leased by a nonprofit land bank authorized by a county.

The land bank must be exempt under section 501(c)(3) of the Internal Revenue Code of 1986 and organized to provide low-cost land for affordable housing development.

The Housing Finance Commission must develop and administer a competitive grant program for land banks, subject to appropriation. To be eligible for the grant, land banks must:

- Levy a local tax dedicated to the construction, acquisition, or rehabilitation of housing affordable to households at or below 80% of the area median income.
- Remove barriers to the siting of permanent supportive housing.
- Expedited the timelines for issuing permits for affordable housing.

#### EFFECTIVE DATE:

The bill takes effect 90 days after the final adjournment of the session.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

#### ASSUMPTIONS:

This legislation passes effective beginning with property taxes due for calendar year 2026.

#### REVENUE ESTIMATES:

The revenue impact of this bill is indeterminate. The department is unable to determine how many counties will authorize an entity to serve as a land bank or the value of the real and personal property the land bank acquires, holds, improves, funds, leases, sells, or engages in predevelopment contracting for land within the urban growth areas of the authorizing county.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

#### ASSUMPTIONS:

- This bill will result in approximately 20 additional property tax exemption applications the department will process per year
- The department estimates around five counties will implement requirements to make their land bank eligible for grant funds including levying a local property tax.
- Should more applications or counties occur, the department may have higher expenditures.

### FIRST YEAR COSTS:

The department will incur total costs of \$86,700 in fiscal year 2026. These costs include:

- Labor Costs – Time and effort equate to 0.65 FTE.
- Process land bank property tax exemption applications.
- Adopt two administrative rules and amend two administrative rules.

### SECOND YEAR COSTS:

The department will incur total costs of \$23,700 in fiscal year 2027. These costs include:

- Labor Costs – Time and effort equate to 0.2 FTE.
- Continue processing land bank property tax exemption applications.

### ONGOING COSTS:

Ongoing costs for the 2027-29 biennium equal \$47,400 and include similar activities described in the second-year costs. Time and effort equate to 0.2 FTE.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.7	0.2	0.4	0.2	0.2
A-Salaries and Wages	54,700	14,600	69,300	29,200	29,200
B-Employee Benefits	19,700	5,300	25,000	10,600	10,600
E-Goods and Other Services	9,200	2,800	12,000	5,600	5,600
G-Travel	600	600	1,200	1,200	1,200
J-Capital Outlays	2,500	400	2,900	800	800
<b>Total \$</b>	<b>\$86,700</b>	<b>\$23,700</b>	<b>\$110,400</b>	<b>\$47,400</b>	<b>\$47,400</b>

**III. B - Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
EMS BAND 4	135,635	0.0		0.0		
EMS BAND 5	158,451	0.0		0.0		
MGMT ANALYST4	78,468	0.0		0.0		
PROPERTY AND ACQUISITION SI	72,924	0.2	0.2	0.2	0.2	0.2
TAX POLICY SP 2	80,460	0.0		0.0		
TAX POLICY SP 3	91,068	0.3		0.1		
TAX POLICY SP 4	98,040	0.1		0.0		
WMS BAND 3	115,352	0.0		0.0		
<b>Total FTEs</b>		<b>0.7</b>	<b>0.2</b>	<b>0.4</b>	<b>0.2</b>	<b>0.2</b>

### III. C - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

Request # 1974-1-1



**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Should this legislation become law, the department will use the standard process to adopt one rule in chapter 458-16 WAC, titled: "Property Tax - Exemptions" and one rule in chapter 458-19 WAC, titled: "Property tax levies, rates, and limits."

The department will also use the standard process to amend WACs 458-19-070, titled: "Five dollars and ninety cents statutory aggregate dollar rate limit calculation." and 458-19-075, titled: "Constitutional one percent limit calculation."

This rulemaking would affect nonprofit land banks, county assessors, and county treasurers.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1974 HB	<b>Title:</b> Land banking authorities	<b>Agency:</b> 148-Housing Finance Commission
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## Part I: Estimates

☒ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Serena Dolly	Phone: 360-786-7150	Date: 02/14/2025
Agency Preparation: Mizan Irwin	Phone: 206-287-4476	Date: 02/18/2025
Agency Approval: Lucas Loranger	Phone: 206-254-5368	Date: 02/18/2025
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 02/24/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The proposed legislation charges the Commission with developing and administering a competitive grant program for land banks, to be funded by a budget appropriation. Depending on the size of the appropriation, the Commission may need to hire an additional FTE as we do not currently have the expertise internally to administer this program. We anticipate the annual cost for an additional FTE to be approximately \$160,000 per year. Additionally, legal costs for program documentation creation are anticipated to be a one-time expense of approximately \$25,000 or less. However, because the Commission is a non-appropriated, non-allocated agency, all costs associated with administering the contemplated legislation connected to the Commission will flow through the Commission’s operating funds, therefore the Commission believes it has no fiscal impact on the state’s budget.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

## **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

<b>Bill Number:</b> 1974 HB	<b>Title:</b> Land banking authorities
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**Part I: Jurisdiction**—Location, type or status of political subdivision defines range of fiscal impacts.

## Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

## Part II: Estimates

- ☒ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: Counties or multiple contiguous counties could establish a land bank authority.
- ☒ Key variables cannot be estimated with certainty at this time: Number of counties that would establish a land bank authority authorized by this act.

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

None

## Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 02/19/2025
Leg. Committee Contact: Serena Dolly	Phone: 360-786-7150	Date: 02/14/2025
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/19/2025
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 02/24/2025

## Part IV: Analysis

### A. SUMMARY OF BILL

*Description of the bill with an emphasis on how it impacts local government.*

This proposed legislation would establish regulations for land bank authorities that would administer land bank programs that would produce more affordable low-income and moderate-income housing through strategic land acquisition and deployment policies. The act would give authorizing power to counties (or groups of contiguous counties) to create entities that acquire, hold, and dispose of surplus lands for affordable housing. The powers and responsibilities of these authorities include preferential acquisition of surplus public property, sales or leases below market rates subject to affordability conditions, and long-term affordability covenants.

Sec. 2 would authorize a county, or multiple contiguous counties, to designate an entity as a land bank authority.

Sec. 3 would require that if a county establishes a land bank authority it must create an advisory board with nine members representing different areas of expertise, and the appointments must reflect the region's racial and ethnic composition.

Sec. 4 would establish the powers of the land bank authority, such as acquiring, holding, improving, funding, leasing, selling, and engaging in predevelopment contracting for lands within urban growth areas of the authorizing county. A land bank authority would also have priority for surplus lands and the ability to buy tax foreclosed properties. These authorities could also negotiate to sell lands to developers at below market rates if affordability requirements are met.

Sec. 5 would establish requirements for a land bank authority's planning strategy, including acquisition and dispositions policies, community visioning for people impacted by housing and transportation disparities, anti-displacement risk assessments, homeownership pathways, and other strategic goals.

Sec. 6 would establish a land bank grant program subject to available funding from the legislature and administered by the Housing Finance Commission. To qualify for the grant program, the land bank must levy a local tax dedicated to the construction, acquisition, or rehabilitation of housing affordable to households at or below 80% of the area median income, remove barriers to the siting of permanent supportive housing, and expedite the timelines for issuing permits for affordable housing.

Sec. 7 would establish annual review requirements of all undeveloped lands that must be submitted to the authority's advisory board. and developments made to lands within the land bank authority's control. Every three years, there would be additional auditing requirements for all lands sold or leased to determine compliance with affordability requirements.

Sec. 8 would amend 39.33.015 RCW such that any surplus public lands that are available for disposition within the boundary of the land bank authority are prioritized for transfer to such authority.

Sec. 9 would amend 36.35.150 RCW such that the county legislative authority may sell tax foreclosed properties to a land bank authority.

Sec. 10 would amend 35.21.755 RCW such that any property owned, operated, or controlled as a land bank authority by a county must pay an annual excise tax to the county treasurer as if such property were in private ownership.

Sec. 11 would be a new section added to chapter 84.36 RCW such that all real and personal property owned or leased by a nonprofit land bank authorized by a county would be exempt from property taxes.

Sec. 12 would be definitions for the land bank authority statute.

Sec. 13 would codify Sec. 1 through Sec. 7 and Sec. 12 as a new chapter in Title 36 RCW.

This act would go into effect 90 days after the session in which it is passed.

## B. SUMMARY OF EXPENDITURE IMPACTS

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

This act by itself does not require a local government to act and would have no impact.

This legislation would provide counties or multiple contiguous counties with a local option to establish land bank authorities, nonprofit land bank authorities, and powers to acquire and dispose of lands in the authority's control. Concurrent requirements for actions such as support of a land bank advisory board in Sec. 3, development of a land bank authority's planning strategies in Sec. 5, annual review for undeveloped lands and three-year auditing of any sold or leased properties in Sec. 7, and transfer or purchase of lands at, or below market rate, in Sec. 8 and Sec. 9 would be tied to discretionary actions. Because these measures would be elective, they would not create a local government fiscal impact.

### Local Options:

#### For Counties that Take the Local Option to Create a Land Bank Authority:

This proposed legislation would have an indeterminate impact on local governments that took the local option to create a land bank authority.

There would be costs related to adopting the land bank authority into local code. Boards of county commissioners would consider and pass ordinances authorizing the creation of land bank authorities within their jurisdiction or as part of a multi-county coalition, the later likely requiring interlocal agreements. There would be legal review costs, and participation in the drafting, revising, and final ordinance by planning and housing associated departments. The costs for this work would likely start at those estimated by the Local Government Fiscal Note Program Unit Cost Model (2025) for passage of a new complex development regulation, or approximately \$26,000 and includes costs for interdepartmental collaboration to draft the ordinance, create staff reports for up to four meetings including two planning commission meetings and two meetings with the full county council, as well as a State Environmental Policy Act non-project review checklist. There would likely be additional costs for public engagement about the proposed land bank process to inform residents about programs and low- to moderate-income housing needs as well as solicitation for community feedback about the proposed land bank authority, which would increase costs variably in each jurisdiction by as much as \$3,000 to \$5,000 per meeting in staff time (to prepare and present), rental space, workshop materials, informational fliers, announcement and other related costs.

There would be costs to plan for the implementation of the land bank advisory board, and the appointments of these board members must be in different areas of expertise and comprised of people whose race and ethnicity reflect the jurisdiction. On-going costs for the advisory board may be de minimis if staff are appointed in a volunteer capacity and existing resources, or online accessible formats are used for advisory board meetings.

There would be costs for property management of lands within the land bank authority's control, granted by Sec. 4, which include acquiring, holding, improving, funding, leasing, selling, and engaging in predevelopment contracting for lands within urban growth areas of the authorizing county. Whether this would require establishing a new program and commensurate FTEs for staff, or if existing county staff would fold these responsibilities under existing resources would vary by jurisdiction and cannot be determined in advance.

There would be costs to develop a land bank authority's planning strategy found in Sec. 5, which includes acquisition and disposition policies, community visioning for people impacted by housing and transportation disparities, anti-displacement risk assessments, homeownership pathways, and other strategic goals. Costs for the development of these strategies may be similar to those found in review of Department of Commerce grants for the Housing Action Plans (HAPs), which include housing disparity analysis, anti-displacement risk, community visioning, and other similar requirements. The costs for the HAPs had costs that ranged from approximately \$50,000 to \$150,000 depending on the size of the jurisdiction, the amount of community outreach, the use of consultants, or whether the work was done with existing planning and housing department resources.

There may be costs for counties to qualify for the grant program authorized under Sec. 6 of this act. To qualify for the grant program, the land bank must levy a local tax dedicated to the construction, acquisition, or rehabilitation of housing affordable to households at or below 80% of the area median income, remove barriers to the siting of permanent supportive housing, and expedite the timelines for issuing permits for affordable housing. If a county has already enacted an affordable housing levy, authorized under 84.52.105 RCW, or an affordable and supportive housing tax authorized under 82.14.540 RCW, they may qualify without cost. As of 2023, 37 counties have adopted the affordable and supportive housing tax, and Department of Revenue levy records indicate that only Whatcom County has an active affordable housing levy in 2025.

Under Sec. 7 of this act, there would be costs for annual review and reporting of undeveloped lands, and auditing requirements every three-years of lands sold or leased. These costs may range from minimal to more significant depending on the number of lands that a land bank controls, and level of detail required by the advisory board.

#### Local Options for Property Disposition by Local Governments

Land banks would have priority for public surplus lands transfer from the state and other local governments under Sec. 8. The number of properties that would be transferred to land bank authorities under this priority condition cannot be known in advance. Additionally, counties are authorized to sell tax foreclosed parcels to a land bank authority, where the parcel is within the jurisdiction of the authority.

### C. SUMMARY OF REVENUE IMPACTS

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

This act by itself does not require a local government to act and would have no impact.

This legislation would provide counties or multiple contiguous counties with a local option to establish land bank authorities, nonprofit land bank authorities, and powers to acquire and dispose of lands in the authority's control. Concurrent authorizations for actions such as a land bank grant program created under the Washington State Housing Finance Commission under Sec. 6 and excise taxes for property owned, operated, or controlled by a land bank authority in Sec. 10 would be tied to discretionary actions. Because these measures would be elective, they would not create a local government fiscal impact.

#### For Counties that Take the Local Option:

The Department of Revenue issued a fiscal note for this bill indicating that the revenue impact of this bill is indeterminate. The department is unable to determine how many counties would authorize an entity to serve as a land bank or the value of the real and personal property the land bank acquires, holds, improves, funds, leases, sells, or engages in predevelopment contracting for land within the urban growth areas of the authorizing county.

#### Indeterminate Increase in County Revenue for Land Bank Authorities:

Sec. 6 would establish a land bank grant program administered by the Housing Finance Commission. The revenue impact for this grant program would be subject to available funding from the legislature and is therefore indeterminate at this time.

#### Indeterminate County Revenue for Land Bank Authorities' Excise Tax:

Under Sec. 10 any property owned, operated, or controlled as a land bank authority by a county must pay an annual excise tax to the county treasurer as if such property were in private ownership. The amount of excise tax would depend on the number of properties owned, operated, or controlled, and the tax assessment valuation of these properties.

#### SOURCES

Association of Washington Cities, Salary Survey (2024)

Department of Commerce

Department of Revenue



Department of Revenue, FN 1974 HB (2025)

Local Government Fiscal Note Program, FN HB 2746 (2020)

Local Government Fiscal Note Program, Review of HB 1923 Grants (2023)

Local Government Fiscal Note Program, Unit Cost Model (2025)

House Bill Analysis, HB 1974 (2025)